

## **EXHIBIT 2**

# Intellectual Property Rights Seizure Statistics



U.S. Customs and  
Border Protection

Fiscal Year 2023

**Disclaimer:** The information contained in this report does not constitute the official trade statistics of the United States. The statistics, and the projections based upon those statistics, are not intended to be used for economic analysis, and are provided for the purpose of establishing U.S. Department of Homeland Security workload



# IPR Seizure Statistics

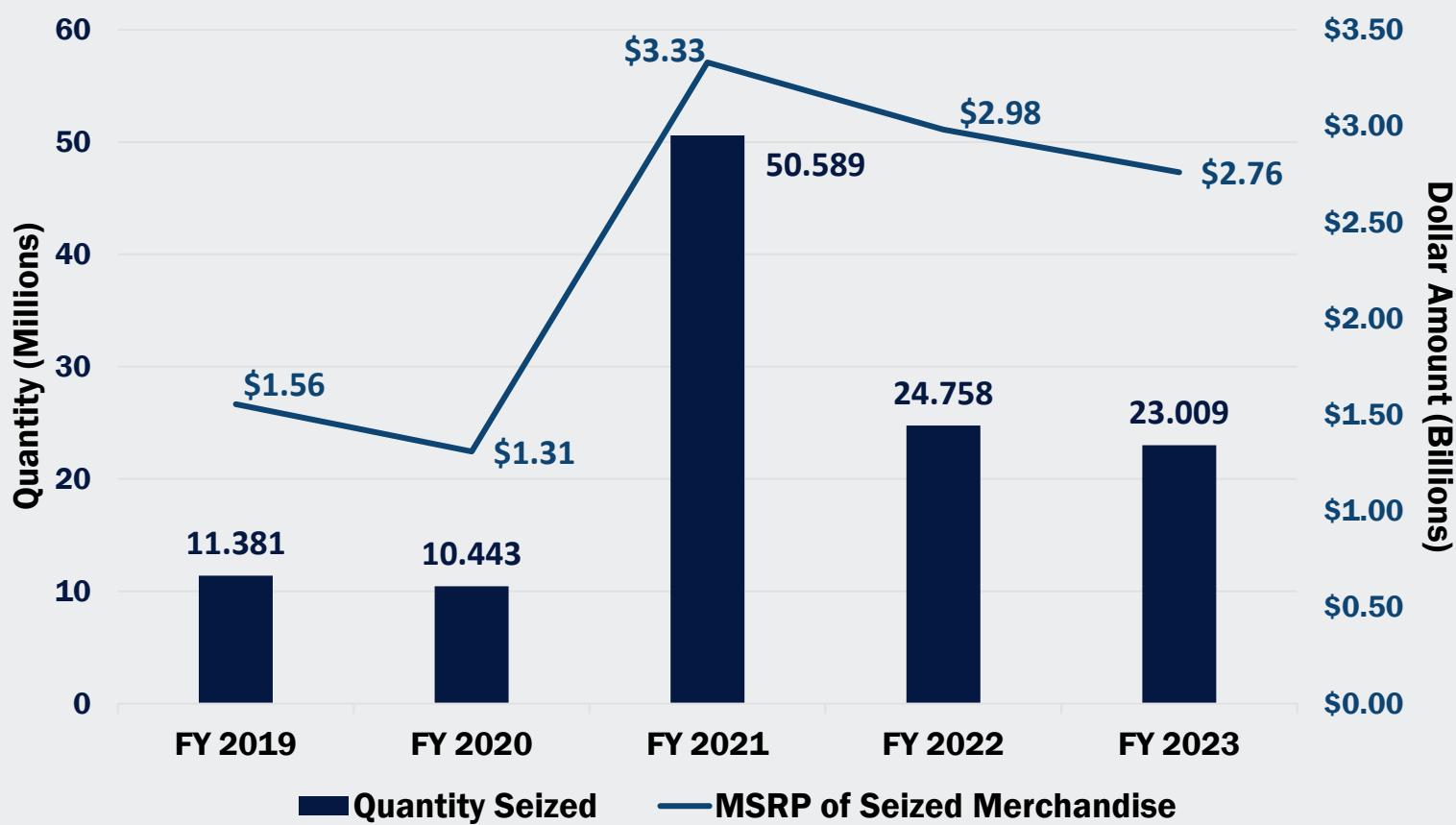


## IPR Seizures Over the last 5 Years

U.S. Customs and Border Protection (CBP) is responsible for enforcing trade laws regarding Intellectual Property Rights (IPR) and conducts operations to seize violative merchandise before it enters the U.S. for public consumption.

From FY 2019 to FY 2023, the total number of goods seized for IPR violations has more than doubled, and the total manufacturer's suggested retail price (MSRP) of goods seized for IPR violations every year has increased by almost 80%.

### IPR Seizure Quantity and MSRP (FY 2019-2023)





# IPR Seizure Statistics



## IPR Violative Commodities Seized

For the last three years, the top commodities seized for IPR infringement have been **(1) handbags/wallets, (2) watches, and (3) jewelry.**

### FY 2023 Top 10 Commodities by MSRP



IPR violative goods threaten American innovation and competitiveness.

Commodities	MSRP
<b>Handbags/Wallets</b>	\$658,724,377
<b>Jewelry</b>	\$653,827,027
<b>Watches</b>	\$406,960,348
<b>Wearing Apparel</b>	\$392,663,140
<b>Other</b>	\$130,300,790
<b>Consumer Electronics</b>	\$129,696,929
<b>Pharmaceutical Items</b>	\$98,310,273
<b>Sunglasses/Eyewear</b>	\$78,142,311
<b>Footwear</b>	\$60,529,247
<b>Belts</b>	\$38,607,738

### FY 2023 Top 10 Commodities by Quantity Seized



IPR violative commodities pose risks to **American citizens** due to health and safety concerns.

Commodities	Quantity Seized
<b>Other Items</b>	15,141,127
<b>Pharmaceutical Items</b>	1,552,724
<b>Cigarettes</b>	1,080,386
<b>Personal Care Items</b>	974,679
<b>Consumer Electronics</b>	806,634
<b>Wearing Apparel</b>	566,990
<b>Handbags/Wallets</b>	532,456
<b>Jewelry</b>	481,716
<b>Footwear</b>	248,099
<b>Game Console and Accessories</b>	230,722



# IPR Seizure Statistics



## IPR Violations on a Global Scale

China and Hong Kong are consistently the top two countries for IPR seizures. In FY 2023, seizures from China and Hong Kong accounted for 84% of the MSRP and 90% of the total quantity seized.

### FY 2023 Top 10 Countries with Highest MSRP



Countries	MSRP
<b>China</b>	\$1,817,284,310
<b>Hong Kong</b>	\$488,207,223
<b>India</b>	\$81,206,956
<b>Thailand</b>	\$58,857,107
<b>Philippines</b>	\$57,112,821
<b>Turkey</b>	\$43,959,372
<b>Vietnam</b>	\$22,958,304
<b>Colombia</b>	\$16,699,664
<b>Mexico</b>	\$15,211,837
<b>United Arab Emirates</b>	\$14,037,064

### FY 2023 Top 10 Countries by Quantity Seized



Countries	Quantity Seized
<b>China</b>	12,781,726
<b>Hong Kong</b>	7,937,205
<b>India</b>	1,042,308
<b>United States</b>	216,355
<b>Mexico</b>	136,501
<b>Singapore</b>	113,548
<b>Kenya</b>	98,665
<b>Vietnam</b>	86,848
<b>Pakistan</b>	86,796
<b>United Arab Emirates</b>	48,754



# IPR Seizure Statistics



## IPR Seizures by Mode of Transportation

The vast majority of IPR seizures continue to take place within the express consignment and mail shipping methods. In FY 2023, 90% of IPR seizures in the cargo environment occurred in the de minimis shipments.

### FY 2023 IPR Seizures by Transportation Mode

Transportation Mode	Quantity	MSRP
Express Consignment	7,918,227	\$903,190,310
Commercial Vessel	5,563,126	\$847,012,126
Mail	3,633,334	\$216,305,763
Commercial Air	3,608,415	\$327,429,105
No Transportation Involved	2,125,290	\$450,326,992
Train	121,482	\$5,088,038
Commercial Truck	20,969	\$1,824,210
Auto	8,854	\$3,608,351
Other	7,904	\$2,717,359
Truck	266	\$41,780
Pedestrian	212	\$3,506



# IPR Seizure Statistics



## Health, Safety, and Security Commodities

Counterfeit commodities can pose harmful risks to consumers such as illness, injury, and possibly even death. See below the top health, safety, and security commodities seized in FY 2023 based on quantity seized and MSRP value:

1

### Pharmaceuticals

1,456,055 items seized  
\$97,201,691 MSRP



2

### Personal Care

965,010 items seized  
\$3,710,293 MSRP



3

### Consumer Electronics

243,102 items seized  
\$9,036,934 MSRP



4

### Sunglasses

139,351 items seized  
\$78,140,576 MSRP



5

### Cigarettes

118,581 items seized  
\$7,587,113 MSRP



6

### Perfumes

44,020 items seized  
\$4,508,027 MSRP



7

### Automotives

31,838 items seized  
\$1,951,135 MSRP



8

### Batteries

28,544 items seized  
\$2,015,274 MSRP



9

### Other

5,809 items seized  
\$678,526 MSRP



10

### Guns and Gun Parts

4,788 items seized  
\$87,125 MSRP





# IPR Seizure Statistics



## IPR Reporting and Recordation

CBP prioritizes enforcement of those trademark and copyrights that have been recorded with CBP for border enforcement through the e-Recordation Program.

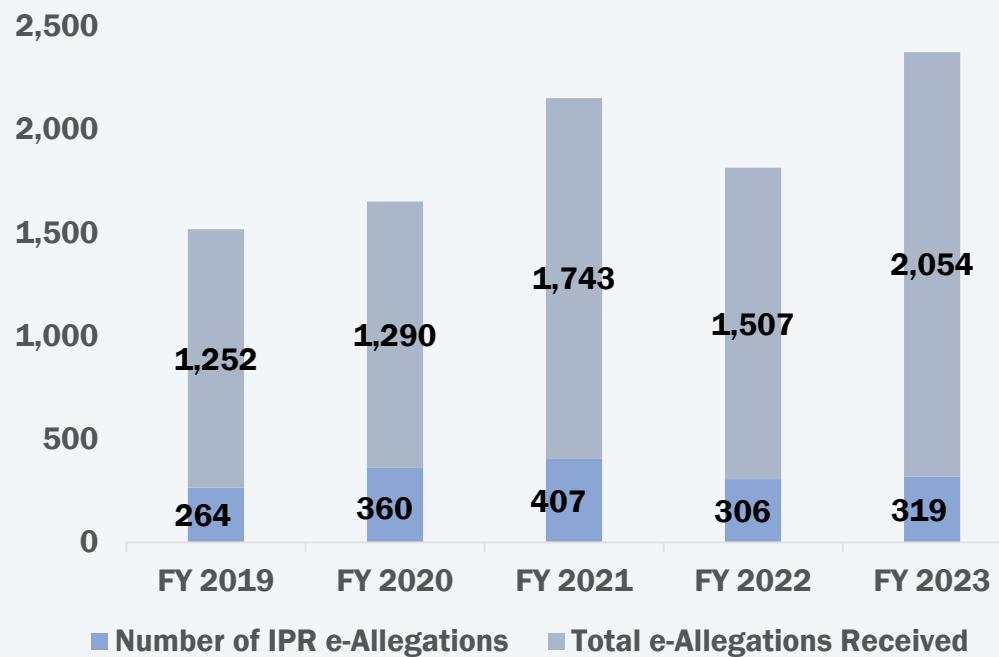
### Number of Active Recordations CBP Enforces

**CBP's e-Recordation program** allows IPR holders to record IPR that has been registered with either USPTO or USCO. Recorded IPR can be protected from counterfeits and piratical copyrights.



### Number of IPR e-Allegations

**CBP's e-Allegations program** provides an electronic portal to report various types of trade violations. IPR trade violations account for a large portion of the total allegations received through this program.





# Points of Contact

## Questions?

**Guidance on CBP IPR Policy and Programs:** The IPR and E-Commerce Division coordinates with rights holders, members of the trade community, CBP staff, other Federal agencies, and foreign governments in developing and implementing the Agency's IPR enforcement strategy, policy, and programs. To contact the IPR Division, email [iprhelpdesk@cbp.dhs.gov](mailto:iprhelpdesk@cbp.dhs.gov).

**Contact the IP Enforcement Branch, Regulations & Rulings:** For questions about CBP's IP enforcement regime, contact Regulations and Rulings (RR) at [hqiprbranch@cbp.dhs.gov](mailto:hqiprbranch@cbp.dhs.gov).

**E-Recordation:** For information concerning the e-Recordation program, contact [iprrquestions@cbp.dhs.gov](mailto:iprrquestions@cbp.dhs.gov).

**Advance Rulings:** Ruling requests concerning articles potentially subject to an ITC exclusion order may be submitted to [EOEBRANCH.ITEC337.Rulings@cbp.dhs.gov](mailto:EOEBRANCH.ITEC337.Rulings@cbp.dhs.gov).

**e-Allegations:** If you are aware of or suspect a company or individual is committing IPR crime, please report the trade violations using [CBP's e-Allegations Online Trade Violation Reporting System](#). Trade violations can also be reported by calling **1-800-BE-ALERT**.

**National Intellectual Property Rights Coordination Center:** To report violations of Intellectual Property Rights, including counterfeiting and piracy, contact the [National IPR Coordination Center](#) or call **1-866-IPR-2060**.

